
Board Charter

1. Role

The Board is responsible for managing the affairs of CLBC. The Board discharges its responsibilities by delegating certain duties to Committees of the Board and to management.

2. Responsibilities

The fundamental responsibilities of the Board are set out below.

2.1. Human Resources

The Board has responsibility to:

- a) appoint and replace the CEO, as appropriate, and monitor and evaluate the CEO's performance;
- b) approve the CEO Position Description and annual goals and objectives;
- c) approve the CEO's compensation;
- d) review the organizational structure and appointment of senior executive team members;
- e) approve the compensation philosophy and guidelines for CLBC;
- f) oversee CEO and management succession planning and ensure there is:
 - i) a process that would respond to an unplanned situation which required an immediate replacement of the incumbent CEO; and
 - ii) criteria and processes for recognition, promotion, development and appointment of management consistent with the future leadership requirements of CLBC; and
- g) provide advice and counsel to the CEO in the execution of the CEO's duties.

2.2. Strategy

Management formulates the strategic plan and other plans and the Board assesses and ultimately approves them. The Board has responsibility to:

- a) adopt a strategic planning process;
- b) participate with management on the development of, and approve, CLBC's strategic plan;
- c) review and approve CLBC's Vision, Mission and Values;
- d) approve and monitor CLBC's annual operating plan;

- e) review and approve, by resolution, CLBC's annual budget plan and capital plan;¹
- f) monitor, on a regular basis, performance against strategic and business plans with a focus on key risks and strategies; and
- g) provide input to, review and approve, by resolution, CLBC's service plan.²

2.3. Risk Management

The CEO of CLBC is responsible for establishing processes, procedures and mechanisms by which key matters of financial and non-financial risk are identified, and ensuring that strategies are developed to manage such risks.

The Board has responsibility to:

- a) understand the key financial and non-financial risks of CLBC's operations;
- b) take reasonable steps to ensure, through regular reviews and assessments, that management has established appropriate systems to identify and manage these risks;
- c) require appropriate certification from management that CLBC is in compliance with laws, regulations and policies;
- d) review and approval of the business continuity/disaster recovery plans for CLBC following its review by the Finance and Audit Committee; and
- e) receive regular reports on the management of material risks to CLBC.

The principal mechanisms through which the Board reviews risks are the strategic planning process and an annual risk review by the Board, supported by the Board Committees as appropriate.

2.4. Financial Information, Systems and Internal Controls

The Board has responsibility to:

- a) take reasonable steps to verify that management has established and is applying appropriate audit, accounting and financial reporting principles;
- b) take reasonable steps to verify that internal financial, business control and information systems are in place and functioning satisfactorily;
- c) review and approve the annual audited financial statements;

¹ CLAA, s. 8(5).

² *Ibid.* The service plan is a reflection of the content of CLBC's strategic plan.

- d) approve the appointment and remuneration of any external advisors;
- e) approve the release of financial information that goes to the public; and
- f) take reasonable steps to ensure compliance with the financial requirements set out in sections 16 and 17 of the CLAA.³

2.5. Material Commitments

The Board has responsibility to:

- a) approve financial or other commitments outside of the ordinary course of business that may have a material impact on CLBC;
- b) obtain reasonable assurance that CLBC has established a proper framework for all contracts; and
- c) approve the commencement or settlement of litigation that may have a material impact on CLBC.

Pursuant to the CLAA, the Board may not acquire or dispose of real property, except by resolution of the Board and with the prior approval of the Minister.⁴

2.6. Monitoring and Reporting

The Board has responsibility to:

- a) direct management to develop, implement and maintain a reporting system that accurately measures CLBC's performance against the performance expectations set out in its strategic plan;
- b) monitor CLBC's progress toward the objectives set out in the strategic

³ Sections 16 and 17 of the CLAA provide:

16 (1) If required by the Minister or the Minister of Finance, CLBC must submit financial reports and statements in the form with the information and at the time that either Minister requests.
(2) The Minister of Finance may direct the Comptroller General to examine, and report to Treasury Board on, any or all of the financial and accounting operations of CLBC.
(3) Unless the Auditor General is appointed in accordance with the Auditor General Act as the auditor of CLBC, CLBC must appoint an auditor to audit the accounts of CLBC at least once each year.
(4) CLBC must prepare financial statements in accordance with generally accepted accounting principles used in Canada.
(5) If CLBC has unearned revenue but has not fully implemented that portion of its service plan related to the unearned revenue, the minister, at the end of the fiscal year, may direct CLBC to
(a) spend some or all of the unearned revenue to fully implement its service plan, or
(b) repay some or all of the unearned revenue to the government.
(6) CLBC must apply any surplus to carrying out the purposes of CLBC.
(7) The Financial Information Act applies to CLBC.

17 Subject to the approval of the Lieutenant Governor in Council, CLBC may in any year pay to a municipality in which it has property a grant not greater than the amount that would be payable as taxes on the property in that year if the property were not exempt from taxation by the municipality.

⁴ CLAA, s. 8(4).

and business plans, and to revise and alter its direction through management, in light of changing circumstances; and

- c) report annually on the financial position of CLBC by providing copies of CLBC's annual report to the Minister and such other reporting as is required by the Minister.⁵

2.7. Board Code of Conduct and Business Ethics

The Board has responsibility to:

- a) establish, and update from time to time as required, a Code of Conduct policy(ies) and a Conflict of Interest policy(ies) for Directors, CEO and senior management, other officers and employees, for the Minister's approval;⁶
- b) obtain reasonable assurance that CLBC operates at all times within the Code of Conduct and within applicable laws, and to the highest ethical and moral standards; and
- c) approve and monitor through management, compliance with all significant policies that govern CLBC's operations.

2.8. Quality and Service

The Board has responsibility to:

- a) review and approve appropriate standards applicable to access to, and quality of, services provided by CLBC; and
- b) receive advice from the Provincial Advisory Committee on improvements to policy and practice to enhance the quality of life for people served by CLBC.

2.9. Communications

The Board has responsibility to:

- a) ensure CLBC has a plan in place to communicate effectively with employees, stakeholders, the provincial government and the public;
- b) take reasonable steps to ensure financial results are reported fairly and in accordance with generally accepted auditing principles; and
- c) report annually on the Board's stewardship for the preceding fiscal year.

The CEO is the primary spokesperson for CLBC and the Board Chair is the primary spokesperson for the Board.

⁵ CLAA, s. 11(e).

⁶ CLAA, s 8(3). The Board is also required to establish conflict of interest policies for directors, the CEO and other officers and employees, for the Minister's approval.

2.10. Board Effectiveness and Governance

The Board retains responsibility for managing its own affairs including responsibility to:

- a) regularly review the Board's ability to be effective in fulfilling its roles and responsibilities;
- b) regularly review and update the mandates of the Board, Board Committees, the Provincial Advisory Committee, the Community Councils, the Board Chair and individual Directors;
- c) develop a plan for long term Board composition and maintain a Board Competency Matrix;
- d) provide comprehensive orientation and development and education sessions for Directors; and
- e) implement processes to annually examine the effectiveness of the Board, individual Director, its Committees, and the Board Chair.

2.11. Reliance on Management and Advisors

In carrying out its responsibilities, the Board:

- a) relies on management to provide it with accurate and fulsome information; and
- b) is entitled to retain and rely on external professional services firms, consultants and advisors as needed to fulfill its mandate.